



Presentation to the
Legislative Health and Human Services Committee
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New Mexico Human Services Department
August 18, 2011

Medicaid Modernization Update

► Public Input Meetings – 8 Meetings

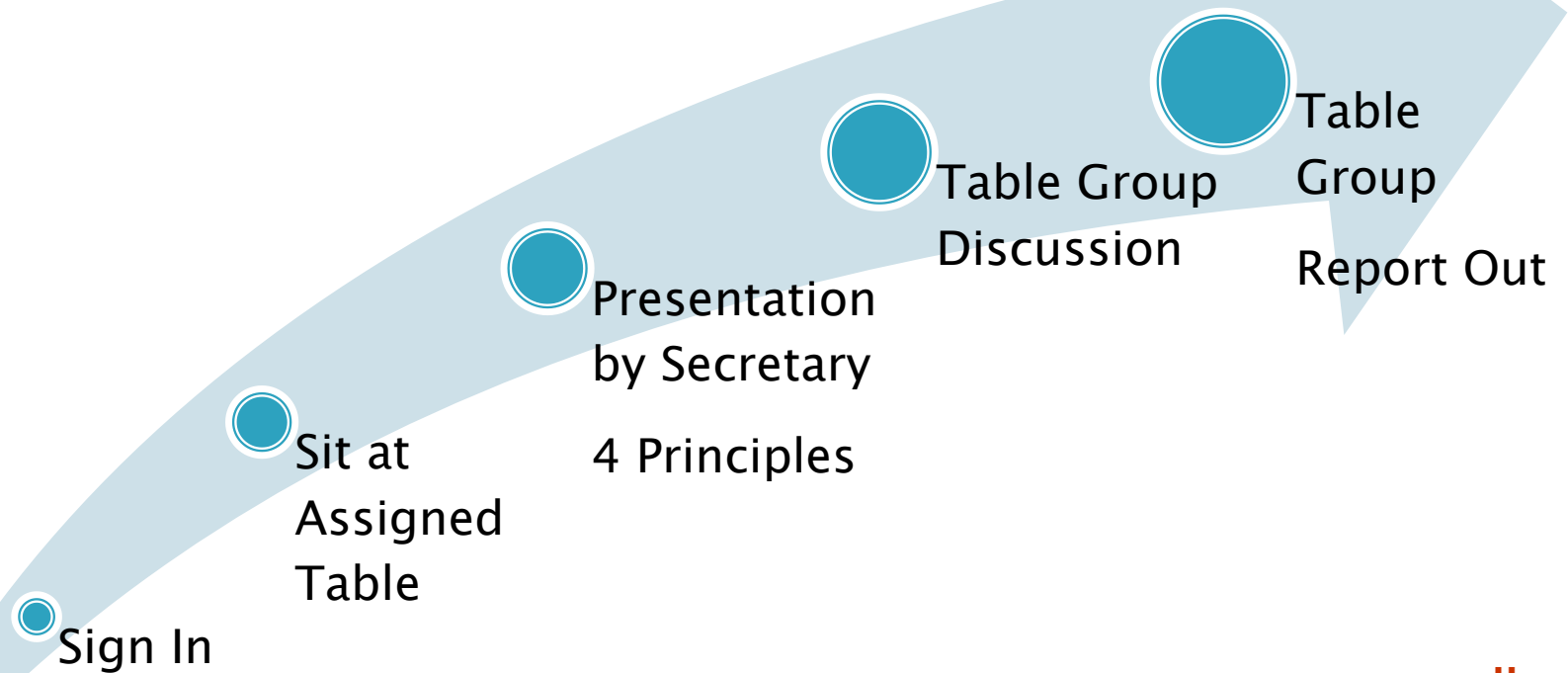
Date	Location	Number of Attendees
July 6	Clovis	41
July 12	Farmington	140
July 26	Roswell	42
July 27	Las Cruces	145
July 28	Albuquerque	227
August 2	Santa Fe	132
August 8	Tribal Consultation	132
August 10	Legislators	6
Total		1046

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How the public input sessions worked



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- ▶ Other ways to submit comments

The State has a several ways for people to submit suggestions and ideas for our Medicaid program.	Received
Email – www.hsd.state.nm.us/medicaid.modernization	42
Regular Mail – Medicaid Comments, Human Services Department, PO Box 2348, Santa Fe, NM 87504	11
Phone Comments – 1-855-830-5252	4

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- ▶ Results of the public input sessions
 - The responses from the round-table discussions were thoughtful and passionate. We heard a number of key themes and ideas at all meetings including:
 - Problems with access to medical care and the lack of doctors in rural areas;
 - Transportation barriers to accessing services;
 - The value of home and community based services;
 - Improve care coordination to keep people healthy and out of the emergency room;



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► Results of the public input sessions

◦ Key themes (cont'd)

- Improve access to doctors and urgent care centers and educate people to keep them out of the emergency room;
- The problems with carving behavioral health services into a comprehensive system and the problems of having it outside of that system
- Concerns about the layers of bureaucracy in managed care; and
- Fears that we intended to cut vital services and impose copays on preventative care



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▶ Tribal Consultation

- Tribes encouraged Department to review the work done by the Medicaid Tribal Workgroup
 - American Indian Protection Plan
- Concern about adding co-pays for Native American populations
- Preserve the Opt-out choice for Native Americans and MCOs
- Need for further Tribal Consultation
- Need for Consultation with IHS
- Improve Health Outcomes for Indian People
- Agree with Coordination of Services Principle
- Agree with Administrative Simplicity Principle

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Meetings with Stakeholder Interest Groups

Smaller, stakeholder group meetings were held with:

New Mexico Hospital Association	SALUD and CoLTS Managed Care Organizations (MCOs)	New Mexico Health Care Association	New Mexico Association for Home and Hospice Care	Representatives from advocacy groups for women, children, the physically and developmentally disabled, and the poor.	New Mexico Primary Care Association	The Medicaid Coalition (an association of advocacy groups for persons served by Medicaid)
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- ▶ What is Medicaid sustainability?
 - Currently, the Medicaid program is 16% of the state budget.
 - Health care costs continue to increase.
 - 5.8% a year through 2020 according to the Centers for Medicare and Medicaid Services actuaries. This rate is faster than the economy is expected to grow this decade.
 - Even with three years of 100% federal funding for newly eligible enrollees under health care reform, the State's Medicaid bill will continue to rise dramatically.



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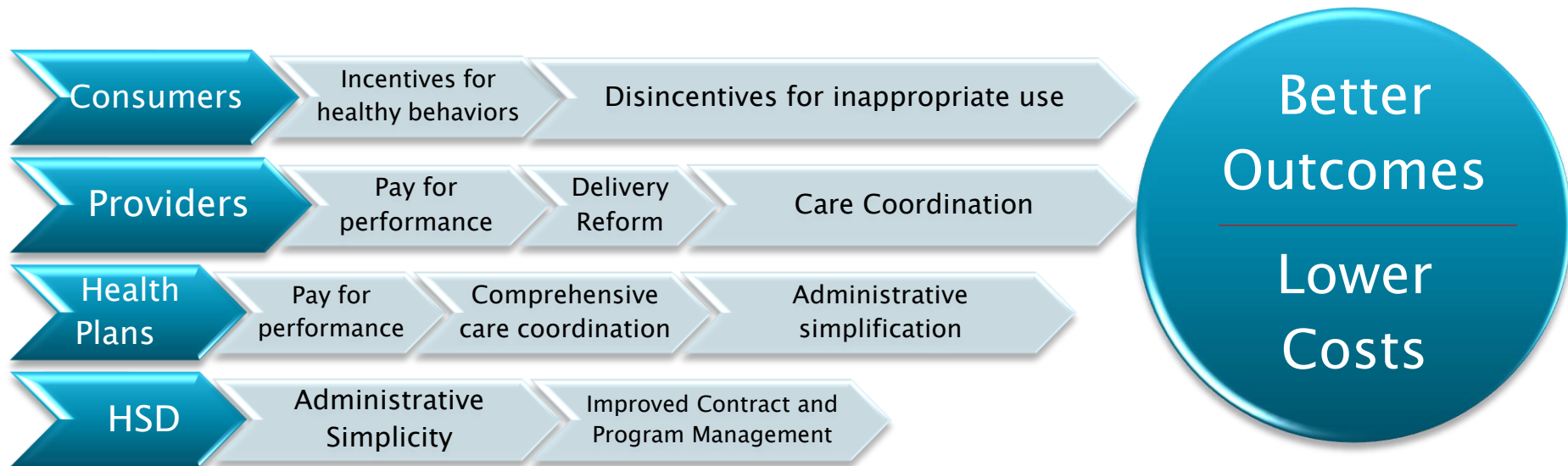
- ▶ What is Medicaid sustainability?
 - By 2020, we expect the cost of Medicaid to increase between 49% and 58% of what the state's costs are today.
 - To make Medicaid sustainable – that is – to be able to continue to cover services in the years to come, we must bend the cost curve.
 - Incentives must be aligned across health care consumers, health care providers and health plans, and HSD, to reduce costs and improve health care quality and outcomes

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Aligning Incentives

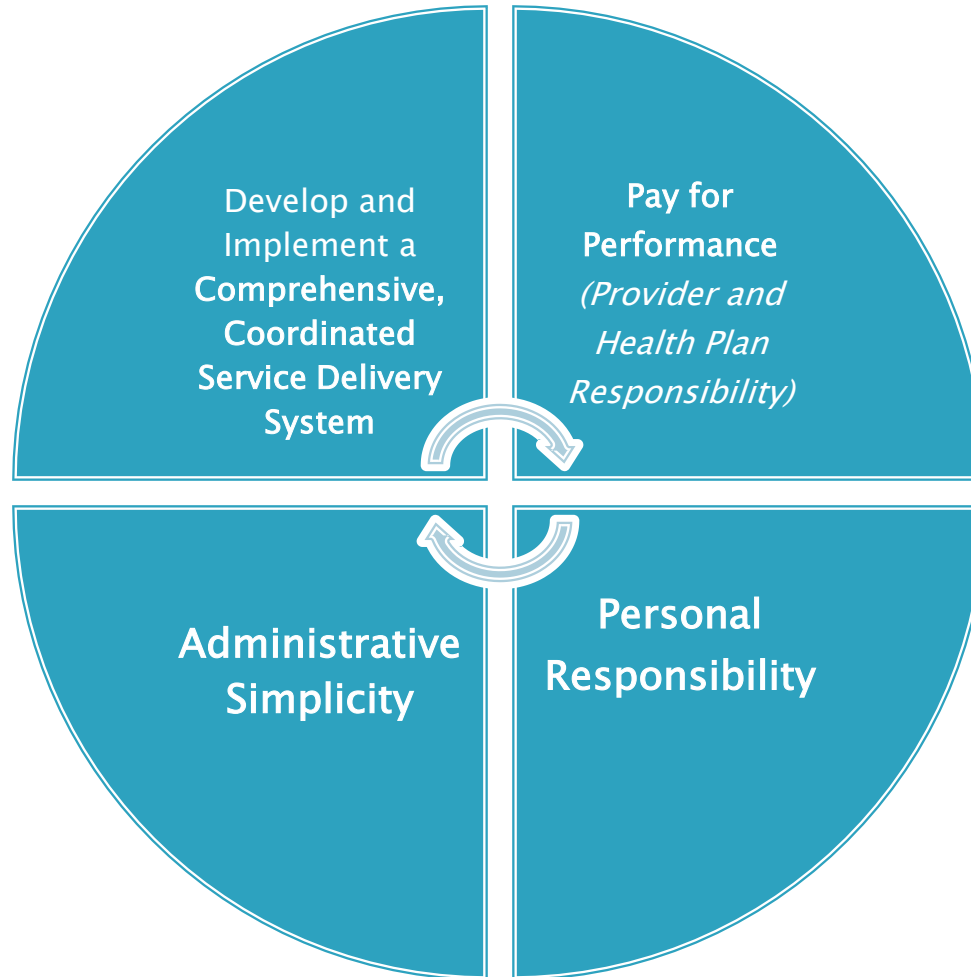


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The Four Principles of Medicaid Modernization



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Plan Elements

▶ Administrative Simplicity

- HSD will request a Section 1115 waiver to achieve all 4 principles
- Within the 1115 waiver, HSD intends to combine its SALUD and CoLTS programs into a comprehensive, “nursery to nursing home” coordinated care system
 - *No decision whether to “carve” behavioral health services in or out of this system has been made at this time.*
 - *No decision whether to include the Developmental Disability (DD) Waiver into the 1115 waiver has been made at this time.*



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Plan Elements (cont'd)

▶ Personal Responsibility:

- No decision has been made on using copayments to align incentives, such as to discourage the use of the emergency room for non-emergencies.
- Member incentives for healthy behaviors:
 - Some form of incentive “payments”, perhaps on an “debit” card, to reward Medicaid enrollees engaged in healthy behaviors, such as parents bringing children in for all their well-check visits and immunizations.



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► Plan Elements (cont'd)

◦ Pay for Performance:

- Use contractual financial incentives and disincentives to hold health plans responsible for care coordination, and improved care quality and improved health outcomes.
- Delivery and payment reforms, such as medical homes will introduce provider and health plan responsibility for improvements in care quality and health outcomes that will reduce costs.
- Hold providers accountable for health care acquired conditions;



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► Plan Elements (cont'd)

◦ **Comprehensive Care Coordination:**

- Health plans will be responsible for robust care coordination programs that identify high risk and complex members and then coordinate care to better manage conditions, avoid hospitalizations and other expensive services.

◦ **Home and Community Based-Services:**

- A valuable service to preserve, but one of the fastest growing costs in the program. Bending the cost curve here means introducing creative changes to the programs to be sure services are appropriately allocated and all persons get the services they need to be safe.

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Next Steps

Stakeholder Workgroups Developed (Mix of MCOs, Providers, Advocates)

- Design of the care coordination process
- Incentives for Wellness – Personal Responsibility
- Incentives for Quality – Pay for Performance

More Fully Developed Concept Paper (Late Sept.)

- How to encourage more health education and literacy
- How to streamline the system for more administrative simplicity
- Relying on recommendations from the public process on Behavioral Health, how do we assure more integration of BH and primary care.
- How do we continue to encourage the development of Health Information Technology to assist providers and patients.
- How can we look try to move people off of waiting lists for services more quickly.

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